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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/466,271	12/17/1999	IAN M. DRYSDALE	FDC-0135-PUS	9967

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EXAMINER

BORLINGHAUS, JASON M

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 02/07/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/466,271

Applicant(s)

DRYSDALE, IAN M.

Examiner

Jason M. Borlinghaus

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-21 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-21 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. ____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____. |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date ____. | 6) <input type="checkbox"/> Other: ____. |

DETAILED ACTION

Notice to Applicant

This communication is in response to the Decision by the Board filed February 14, 2005 reversing and remanding the decision of the Examiner. Claims 1 - 21 are pending.

In the Decision by the Board of Patent Appeals and Interferences mailed February 14, 2005 the rejections of Claims 1 - 21 were reversed. The reason for the reversal of Claims 1 - 21 was, in substance, that prior rejection failed to show "a transaction device having a card reader (claim 1), or a point of service terminal (claim 11 and 12), that does not use proprietary software of a merchant software to complete a transaction." (see Board Decision, p. 2). The Examiner, however, has specific knowledge of a particular reference which demonstrates such obviousness. Therefore, under 37 CFR 1.198, prosecution is hereby reopened (see MPEP 1214.04). The new grounds of the rejection are detailed below.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1 – 21 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter

Art Unit: 3628

which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. For example, the applicant has failed to describe the non-proprietary software, and has failed to describe what is meant by "to complete the transaction".

It may be possible that by non-proprietary software the applicant merely means that the present invention is using well-known browsers, HTML, and/or TCP/IP for submission and/or transmission of data to the web server from the transaction device. However, the applicant has failed to describe the function or scope of the non-proprietary software, as the non-proprietary software is only limited in scope by the phrase "to complete the transaction."

Regarding the phrase "to complete the transaction", although it may appear to be common sense what this means, it is possible that the applicant is misusing the phrase or may need to better define what is meant by it. For example, does "to complete the transaction" refer to the actual transfer of funds from one account, the payor's account, to another account, the payee's account, which completes the sales transaction or does "to complete the transaction" refer to the reading of data from the card by the user terminal device? Or does "to complete the transaction" merely refer to the complete transmission of transaction data to the web server?

Additionally, one of ordinary skill in the art familiar with networks, TCP/IP or the OSI (Open System for Interconnections) 7-layer model would understand that the so-called transmission transaction, if that is truly what the applicant is referring to, actually

Art Unit: 3628

has at least three parts. There is a beginning part where the connections to the web servers are negotiated and established as in call admission control (CAC). There is a middle part where application layer data is passed back and forth. And there is a completion part where the connections are "torn down". Now since the non-proprietary software was not fully described one cannot honestly say what the metes and bounds are of the phrase "to complete the transaction".

If the applicant's so called non-proprietary software is merely TCP/IP then surely the applicant is using the phrase non-proprietary software correctly. However, if the applicant has some other type of software that is being used to pass application layer data, then that software would not be getting used during the completion part of the transaction.

Furthermore, Claim 21 specifies a web server processes the transaction without proprietary software but the applicant discloses using Netscape and Microsoft Internet Explorer. These are clearly proprietary software programs. Therefore, the applicant has failed to define this limitation in the specification.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Art Unit: 3628

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1 – 3, 5 – 15, 17 - 19 and 21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Muftic (US Patent 5,850,442) in view of PR Newswire (*General Instrument's Digital Interactive Cable TV Set-Top Terminals To Become The Latest New Acceptance Device For Smart Cards*. PR Newswire. New York. December 10, 1998. p.1).

Regarding Claims 1 – 3 and 5 – 10, Muftic discloses method of performing a card transaction, the method comprising:

- accessing a web server (world wide web servers) using a transaction device (user terminal), wherein the web server includes commands for processing (authenticating parties, accessing information, ordering product and/or service) the transaction. (see col. 7, lines 16 – 45); and
- entering a transaction card (smart card) into a card reader of the transaction device (user terminal) in order to enter transaction information (smart tokens for party authentication) associated with the card (smart card) into the web server. (see col. 7, lines 1 – 15; col. 10, lines 26 – 43);

Art Unit: 3628

- wherein accessing a web server comprises accessing a web page (home page) of the web server, and wherein the web page includes commands for processing the transaction (activating an order indication). (see col. 13, lines 28 – 39);
- further comprising entering (inputting) additional transaction information (seller ID and amount) into the web server. (see col. 14, lines 37 – 58);
- using a keypad (keyboard) of the transaction device (computer). (see col. 10, lines 27 – 39);
- further comprising displaying information on a display device (display) of the transaction device (computer). (see col. 10, lines 27 – 39);
- wherein displaying information includes displaying an advertisement (yellow pages home page) downloaded from the Internet (network). (see col. 20, lines 19 – 37);
- wherein displaying information includes displaying an electronic coupon (insurance certificate) downloaded from the Internet (network). (see col. 20, line 68 – col. 21, line 17);
- further comprising obtaining authorization (authentication) for the transaction through the web server. (see col. 12, line 5 – col. 14, line 62);
and
- further comprising updating the commands of the web server (new additions to database/loading information into server). (see col. 12, lines 5 – 40).

Art Unit: 3628

Muftic does not teach a method wherein:

- the transaction device does not utilize proprietary software of a merchant service provider to complete the transaction; and
- wherein entering additional transaction information includes entering additional transaction information using a keypad of the transaction device.

Utilization and implementation of non-proprietary software to complete card-based transactions is old and well known in the art of computer programming and ecommerce, as evidenced by PR Newswire which discloses the development of the Visa Open Platform, “a flexible non-proprietary platform that enables that fast and easy development of globally interoperable multiple application smart card systems.” (see p. 1). The Visa Open Platform has been accepted to allow transaction devices (GSM mobile phones) to complete transactions (load applications onto smart cards). (see p.1). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Muftic by incorporating non-proprietary software onto the transaction device to complete the transaction, as disclosed by PR Newswire, allowing “fast and easy development” of said card-based system, furthering Muftic’s stated motivation of developing a system for electronic transactions to occur over “an open network.” (see col. 1, lines 19 – 22).

Official Notice is taken that it is old and well known within the computer arts to use a keypad of the transaction device for inputting of information into a computer system. Therefore, it would have been obvious to one of ordinary skill in the art at the

Art Unit: 3628

time the invention was made to use a keypad of the transaction device, as disclosed by Muftic, for inputting of additional transaction information, allowing for easy data insertion.

Regarding Claim 11, Muftic discloses a method of performing a card transaction, the method comprising:

- accessing a web server (world wide web server) using a point of service terminal (user terminal) having a web browser (Mosaic or web browser software) and a card reader, wherein the web server includes commands for obtaining authorization (authentication) of the transaction (see col. 7, lines 1 – 45; col. 10, lines 26 – 43; col. 12, lines 39 – 58);
- entering a transaction card (smart card) into the card reader in order to enter an account number (Credit_Card domain of smart token contains account name and number) associated with the card (smart card) into the web server (see col. 14, lines 20 – 33);
- responding (inputting) to prompts generated by the web server (displayed electronic charge slip) using the terminal (user terminal). (see col. 14, lines 37 - 58); and
- obtaining authorization (authentication) for the transaction through the web server (col. 12, lines 39 – 58).

Muftic does not teach a method of performing a card transaction, the method comprising:

- wherein the point of service terminal does not utilize proprietary software of a merchant service provider to complete the transaction.

Utilization and implementation of non-proprietary software to complete card-based transactions is old and well known in the art of computer programming and ecommerce, as evidenced by PR Newswire which discloses the development of the Visa Open Platform, "a flexible non-proprietary platform that enables that fast and easy development of globally interoperable multiple application smart card systems." (see p. 1). The Visa Open Platform has been accepted to allow transaction devices (GSM mobile phones) to complete transactions (load applications onto smart cards). (see p.1). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Muftic by incorporating non-proprietary software onto the transaction device to complete the transaction, as disclosed by PR Newswire, allowing "fast and easy development" of said card-based system, furthering Muftic's stated motivation of developing a system for electronic transactions to occur over "an open network." (see col. 1, lines 19 – 22).

Regarding Claims 12 - 15, further system claims would have been obvious from method claims rejected above, Claims 1, 3 and 5 - 8, and are therefore rejected using the same art and rationale.

Regarding Claims 17 – 19, Muftic discloses a method:

- wherein the card transaction involves a smart card. (see col. 10, lines 26 - 48);

Art Unit: 3628

- wherein the transaction device comprises a point of service terminal (terminal) at a merchant or retail location (commercial establishments) (see col. 4, line 60 – col. 5, line 5); and
- further comprising transmitting information (drawing on line of credit/obtaining cash value) to and from a merchant service provider. (see col. 4, line 60 – col. 5, line 5).

Regarding Claim 21, Muftic discloses a method of wherein:

- the web server processes the transaction. (see col. 7, lines 16 – 45).

Muftic does not teach a method wherein:

- the web server processes the transaction without proprietary software.

Utilization and implementation of non-proprietary software to complete card-based transactions is old and well known in the art of computer programming and ecommerce, as evidenced by PR Newswire which discloses the development of the Visa Open Platform, “a flexible non-proprietary platform that enables that fast and easy development of globally interoperable multiple application smart card systems.” (see p. 1). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Muftic and PR Newswire by incorporating non-proprietary software onto the web server to process the transaction, as disclosed by PR Newswire, allowing “fast and easy development” of said card-based system, furthering Muftic’s stated motivation of developing a system for electronic transactions to occur over “an open network.” (see col. 1, lines 19 – 22).

Claims 4, 16 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Muftic and PR Newswire, as applied to Claims 1 and 15, and further in view of Athing (US Patent 5,987,498).

Regarding Claims 4, 16 and 20, Muftic discloses a method of performing a card transaction, the method comprising:

- further comprising entering (inputting) additional transaction information (seller ID and amount). (see col. 14, lines 37 – 58);
- further comprising displaying information on a display device (display) of the transaction device (computer). (see col. 10, lines 27 – 39);
- further comprising providing an electronic signature (digital signature). (see col. 13, lines 40 – 48).

Muftic does not teach a method of performing a card transaction, the method comprising:

- wherein entering additional transaction information using a touch-sensitive screen of the device;
- wherein the display device comprises a touch-sensitive screen; and
- further comprising providing an electronic signature using a pen and the touch-sensitive screen.

Athing discloses a method of performing a card transaction, the method comprising:

- wherein entering additional information using a touch-sensitive screen of the device. (see col. 6, lines 36 – 46);

- wherein the display device comprises a touch-sensitive screen. (see col. 6, lines 36 – 46); and
- further comprising using a pen (touch-screen pointing device) and the touch sensitive screen. (see col. 6, lines 35 – 46).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Muftic and PR Newswire by incorporating conventional input and display devices such as a pen and touch sensitive screen, as disclosed by Athing, to further facilitate communication over the network.

Conclusion

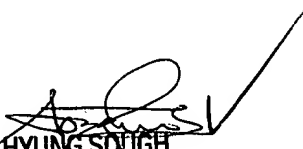
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jason M. Borlinghaus whose telephone number is (571) 272-6924. The examiner can normally be reached on 8:30am-5:00pm M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough can be reached on (571) 272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should

Art Unit: 3628

you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).


HYUNG SOUGH
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APPROVED
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DIRECTOR TC 3600
